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FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5832
INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 6229
RUEHBR/AMEMBASSY BRASILIA PRIORITY 3683
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 0709
RUEHCV/AMEMBASSY CARACAS PRIORITY 2205
RUEHLP/AMEMBASSY LA PAZ DEC 0256
RUEHPE/AMEMBASSY LIMA PRIORITY 1201
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 1526
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SUBJECT: ELECTION OVER, CORREA TAKES STAGE

¶1. (SBU) Summary: The Supreme Electoral Tribunal officially declared Rafael Correa Ecuador's president-elect on December 4, but rival candidate Alvaro Noboa has refused to concede defeat, requesting an investigation of Correa campaign finances. Since being elected on November 26, Correa has reaffirmed Ecuador's right to ATPDEA extension; announced plans to abolish Ecuador's Trade Ministry; and said his government would investigate alleged human rights abuses committed during the presidency of Leon Febres Cordero. Correa will attend the South American Summit in Bolivia December 8-9, then travel to Brazil and Argentina for presidential meetings. End Summary.

Results Official, PRIAN Protests

¶2. (U) With all November 26 votes counted, the Supreme Electoral Tribunal (TSE) on December 4 officially declared Rafael Correa to be Ecuador's president-elect. The presidential inauguration will take place on January 15. Correa won 56.6% of valid votes (a majority in 19 provinces) while second round rival Alvaro Noboa (PRIAN) finished with only 43.33% (a majority in only three provinces--Manabi, Guayas, and Esmeraldas). Null and blank votes totaled 10.8%.

¶3. (U) Still refusing to concede defeat, Alvaro Noboa's PRIAN party on December 4 charged that 13 of Correa's campaign financiers had failed to declare taxes over the past three years, and requested an investigation by electoral authorities. TSE president Xavier Cazar confirmed receipt of the complaint and said an investigation was underway.

Correa Heads South

¶4. (U) President-elect Rafael Correa left Ecuador on December 7 to travel to meetings in Brazil, Bolivia, and Argentina. In Brasilia, Correa will reportedly discuss petroleum and other commercial issues with Brazilian President Lula da Silva. He will then travel to Cochabamba, Bolivia to attend the South American Summit December 8-9, and then travel to Buenos Aires to meet with Argentine President Nestor Kirchner. A previously scheduled trip to Bogota was canceled for unspecified reasons.

Correa: Ecuador Deserves ATPDEA Extension

15. (U) Responding to unconfirmed and premature reports of a House of Representatives bill extending ATPDEA trade preferences only for FTA-signees Peru and Colombia, Correa commented publicly that ATPDEA should be extended for as long as there is a drug fight. Ecuador would not accept "insults or threats" from any nation, he added. Going further, Correa told reporters that should Ecuador be excluded from ATPDEA renewal, he would seek resources, even from the anti-narcotics budget, to compensate Ecuadorian producers hurt by ATPDEA expiration. In responding to another question, Correa said that there was no reason for Ecuador to name an arbiter in the Oxy arbitration case because the process had no basis for moving forward without the agreement of both parties -- showing that he either does not understand the provisions of the bilateral investment treaty or chooses to ignore them.

Correa: Ministry of Commerce No More

16. (U) Correa announced during his campaign and reaffirmed on December 5 his plans to close the Ministry of Commerce and move its trade negotiating responsibilities to the Foreign Ministry. The Ministry's industrialization and fishery functions would be moved to the Ministry of Agriculture. Correa claimed the shift would "transform Ecuador into an exporting nation."

Correa: LFC Violated Human Rights

17. (U) Correa announced on November 30 that his government would not "pardon or forget" past human rights abuses carried out under previous administrations. Singling out ex-president and PSC strongman Leon Febres Cordero, whose administration has been dogged by allegations of abuses during his government's crackdown on domestic terrorist groups in the mid-80's, Correa said human rights abuses must be investigated and perpetrators held responsible for their actions.

FARC Leader Congratulates Correa

18. (U) The Revolutionary Armed Forces of Colombia (FARC) leader Raul Reyes issued a statement on December 6 congratulating president-elect Rafael Correa on his electoral victory, calling it "a historic reaffirmation of sovereignty and rejection of U.S. intervention in Latin America." The FARC also thanked Correa for not labeling the organization as terrorists. The FARC issued similar statements to Daniel Ortega and Lula da Silva. Additional congratulatory messages continue to arrive from other countries, most recently from the Government of China and Peruvian president Alan Garcia for his victory. The Chinese ambassador used the occasion to note that China now has more than \$1.5 billion invested in Ecuador.

Comment

19. (SBU) Correa's first travel as president-elect signals his government's interest in reinforcing its ties to what they perceive as like-minded South American neighbors. His proposal to eliminate the Ministry of Commerce, if confirmed, is presumably aimed at tightening control over trade policy and reducing the influence of the chambers of commerce and other private sector groups - the main constituencies of the current Ministry of Commerce. Correa's knee-jerk reaction to a still developing story on ATPDEA renewal does not bode well for his ability to respond in a measured way to issues in our bilateral relationship.

BROWN